

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

DOCKET NO. 2016-7-G

In the Matter of)	
)	
Application of Piedmont Natural Gas)	COMMENTS OF
Company, Inc. to Have Terms of the)	PIEDMONT NATURAL GAS
Natural Gas Rate Stabilization Act Apply)	COMPANY, INC.
to Its Rates and Charges for Gas)	
Distribution Services)	

Piedmont Natural Gas Company, Inc. (“Piedmont”), pursuant to Section 58-5-455(4) of the S.C. Code of Laws, hereby submits the following written comments on the *Report of South Carolina Office of Regulatory Staff’s Examination of Piedmont Natural Gas Company’s Monitoring Report* (“Report”) prepared and filed in this proceeding by the Office of Regulatory Staff (“ORS”) on August 31, 2016.

Piedmont has carefully reviewed the August 31, 2016 Report and the proposed adjustments to Piedmont’s March 31, 2016 Quarterly Monitoring Report contained therein and consistent with the Settlement Agreement filed in this docket on August 31, 2016, Piedmont hereby advises the Commission that Piedmont has no objection to or comments on the findings and adjustments reflected in the Report. Piedmont further confirms its agreement, as part of an overall settlement with the ORS, to implement rates beginning with the first billing cycle for November, 2016 based upon the Report results and a return on equity of 10.2% in lieu of the existing approved rate of return on equity adopted in Piedmont’s last general rate case.

Revised rates and charges incorporating the Report adjustments and reflecting a rate of return on equity of 10.2% are attached hereto as Exhibits A and B.

Respectfully submitted this 13th day of September, 2016.

PIEDMONT NATURAL GAS COMPANY, INC.

/s/ Scott M. Tyler
Scott M. Tyler
James H. Jeffries IV

OF COUNSEL:
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EXHIBIT A

Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2016

PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual	Normalized Adjustment	Conservation Adjustment	Proforma Dekatherms	Proforma Bills	Proposed Margin Rate	Proposed Demand Rate	Proposed Commodity Rate	Proposed CNG Decrement Rate	Total Proposed Rates	Total Proforma Revenue
Rate Schedule	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Residential Service - Value 201											
Bills - Winter	222,681				222,681	\$ 10.00				\$ 10.00	\$2,226,810
Bills - Summer	304,223				304,223	\$ 8.00				\$ 8.00	\$2,433,784
DTs - Winter	2,088,928	259,237	(46,963)	2,301,202		\$4.4267	\$1.4782	\$2.0354	\$0.0000	\$7.9403	\$18,272,232
DTs - Summer	801,668	112,771	(18,289)	896,150		\$3.9120	\$1.4782	\$2.0354	\$0.0000	\$7.4256	\$6,654,453
Residential Service - Standard 221											
Bills - Winter	409,683				409,683	\$ 10.00				\$ 10.00	\$4,096,830
Bills - Summer	563,810				563,810	\$ 8.00				\$ 8.00	\$4,510,480
DTs - Winter	2,962,358	409,702	(67,441)	3,304,619		\$4.4267	\$1.4782	\$2.0354	\$0.0000	\$7.9403	\$26,239,665
DTs - Summer	686,896	198,022	(17,698)	867,220		\$3.9120	\$1.4782	\$2.0354	\$0.0000	\$7.4256	\$6,439,626
TOTAL RESIDENTIAL											
Bills	1,500,397				1,500,397						
DTs	6,539,850	979,732	(150,392)	7,369,190							
Small General Service - Standard 202											
Bills	114,398				114,398	\$ 22.00				\$ 22.00	\$2,516,756
DTs - Winter	1,373,805	226,110	(31,998)	1,567,917		\$3.5297	\$1.4706	\$2.0354	\$0.0000	\$7.0357	\$11,031,392
DTs - Summer	260,688	74,987	(6,714)	328,962		\$3.4032	\$1.4706	\$2.0354	\$0.0000	\$6.9092	\$2,272,861
Small General Service - Value 232											
Bills	55,327				55,327	\$ 22.00				\$ 22.00	\$1,217,194
First 200	1,134,319	74,108	(24,169)	1,184,258		\$3.5297	\$1.4706	\$2.0354	\$0.0000	\$7.0357	\$8,332,087
Over 200	267,767	17,494	(5,705)	279,556		\$3.5297	\$1.4706	\$2.0354	\$0.0000	\$7.0357	\$1,966,871
DTs - Winter	1,402,086	91,602	(29,874)	1,463,814							
First 200	1,141,616	26,221	(23,357)	1,144,480		\$3.4032	\$1.4706	\$2.0354	\$0.0000	\$6.9092	\$7,907,443
Over 200	150,300	3,452	(3,075)	150,677		\$3.4032	\$1.4706	\$2.0354	\$0.0000	\$6.9092	\$1,041,057
DTs - Summer	1,291,916	29,673	(26,432)	1,295,157							
Medium General Service - Standard 252											
Bills	108				108	\$ 75.00				\$ 75.00	\$8,100
DTs - Winter	51,722	7,093	(1,176)	57,639		\$3.5297	\$0.6666	\$2.0354	\$0.0000	\$6.2317	\$359,187
DTs - Summer	14,670	3,255	(359)	17,567		\$3.4032	\$0.6666	\$2.0354	\$0.0000	\$6.1052	\$107,247
Medium General Service - Value 262											
Bills	886				886	\$ 75.00				\$ 75.00	\$66,450
First 500	175,406	4,633	(3,601)	176,438		\$3.5297	\$0.6666	\$2.0354	\$0.0000	\$6.2317	\$1,099,510
Over 500	241,045	6,367	(4,948)	242,464		\$3.5297	\$0.6666	\$2.0354	\$0.0000	\$6.2317	\$1,510,961
DTs - Winter	416,451	11,000	(8,549)	418,902							
First 500	225,192	5,616	(4,616)	226,192		\$3.4032	\$0.6666	\$2.0354	\$0.0000	\$6.1052	\$1,380,946
Over 500	220,584	5,501	(4,522)	221,563		\$3.4032	\$0.6666	\$2.0354	\$0.0000	\$6.1052	\$1,352,688
DTs - Summer	445,776	11,117	(9,138)	447,755							
Small General Service - Motor Fuel 242											
Bills	5				-						
DTs - Winter	16,977	0	0	16,977		\$2.8541	\$1.6447	\$2.0354	(\$3.9682)	\$2.5660	\$43,563
DTs - Summer	24,879	0	0	24,879		\$2.8541	\$2.2203	\$2.0354	(\$3.9682)	\$3.1416	\$78,160
Winter Rate per GGE*										\$0.32332	
Summer Rate per GGE*										\$0.39584	
Experimental Motor Vehicle Fuel Service											
Facilities Charge	reflected in customer's qualifying rate schedule										
Winter (Nov.-Mar.)	reflected in customer's qualifying rate schedule										
Summer (Apr.-Oct.)	reflected in customer's qualifying rate schedule										
TOTAL COMMERCIAL											
Bills	170,724				170,719						
DTs	5,298,970	454,837	(114,239)	5,639,568							
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Piedmont Natural Gas Company, Inc.
Quarterly Rate Stabilization Filing
12-Months Ending March 31, 2016

PROPOSED REVENUE CALCULATIONS

(dekatherms) Rate Schedule	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Proposed CNG Decrement Rate (9)	Total Proposed Rates (10)	Total Proforma Revenue (11)
Large General Service - Sales 203											
Bills	217				217	\$ 250.00				\$ 250.00	\$54,250
Demand DTs	33,034	0	0		33,034	\$5.0000	\$5.3565	\$0.0000	\$0.0000	\$10.3565	\$342,117
First 1,500	120,012	0	0	120,012		\$1.8569	\$0.8390	\$2.0354	\$0.0000	\$4.7313	\$567,813
Next 1,500	82,261	0	0	82,261		\$1.2998	\$0.6813	\$2.0354	\$0.0000	\$4.0165	\$330,401
Next 7,500	61,086	0	0	61,086		\$0.9285	\$0.7245	\$2.0354	\$0.0000	\$3.6884	\$225,310
Next 16,500	1,549	0	0	1,549		\$0.5571	\$0.1923	\$2.0354	\$0.0000	\$2.7848	\$4,314
Next 33,000	0	0	0	0		\$0.1857	\$0.1000	\$2.0354	\$0.0000	\$2.3211	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$2.0354	\$0.0000	\$2.0354	\$0
DTs - Winter	264,908	0	0	264,908							
First 1,500	145,902	0	0	145,902		\$1.1141	\$0.6427	\$2.0354	\$0.0000	\$3.7922	\$553,290
Next 1,500	78,670	0	0	78,670		\$0.7428	\$0.5236	\$2.0354	\$0.0000	\$3.3018	\$259,753
Next 7,500	36,530	0	0	36,530		\$0.5571	\$0.7575	\$2.0354	\$0.0000	\$3.3500	\$122,376
Next 16,500	0	0	0	0		\$0.3714	\$0.2818	\$2.0354	\$0.0000	\$2.6886	\$0
Next 33,000	0	0	0	0		\$0.1857	\$0.0500	\$2.0354	\$0.0000	\$2.2711	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$2.0354	\$0.0000	\$2.0354	\$0
DTs - Summer	261,102	0	0	261,102							
Large General Service - Transportation 213											
Bills	471				471	\$ 250.00				\$ 250.00	\$117,750
Demand DTs	128,453				128,453	\$5.0000	\$0.6806	\$0.0000	\$0.0000	\$5.6806	\$729,690
Standby DTs	0				0	\$0.0000	\$4.6759	\$0.0000	\$0.0000	\$4.6759	\$0
First 1,500	277,208	0	0	277,208		\$1.8569	\$0.5409	\$0.0354	\$0.0000	\$2.4332	\$674,503
Next 1,500	226,504	0	0	226,504		\$1.2998	\$0.4346	\$0.0354	\$0.0000	\$1.7698	\$400,867
Next 7,500	253,164	0	0	253,164		\$0.9285	\$0.3430	\$0.0354	\$0.0000	\$1.3069	\$330,860
Next 16,500	91,321	0	0	91,321		\$0.5571	(\$0.3602)	\$0.0354	\$0.0000	\$0.2323	\$21,214
Next 33,000	12,493	0	0	12,493		\$0.1857	\$0.1049	\$0.0354	\$0.0000	\$0.3260	\$4,073
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0000	\$0.0354	\$0
DTs - Winter	860,690	0	0	860,690							
First 1,500	391,884	0	0	391,884		\$1.1141	\$0.5708	\$0.0354	\$0.0000	\$1.7203	\$674,158
Next 1,500	242,812	0	0	242,812		\$0.7428	\$0.4557	\$0.0354	\$0.0000	\$1.2339	\$299,606
Next 7,500	308,000	0	0	308,000		\$0.5571	\$0.3713	\$0.0354	\$0.0000	\$0.9638	\$296,850
Next 16,500	108,476	0	0	108,476		\$0.3714	\$0.3045	\$0.0354	\$0.0000	\$0.7113	\$77,159
Next 33,000	5,777	0	0	5,777		\$0.1857	\$0.0380	\$0.0354	\$0.0000	\$0.2591	\$1,497
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0000	\$0.0354	\$0
DTs - Summer	1,056,949	0	0	1,056,949							
Interruptible Service - Sales 204											
Bills	178				178	\$ 250.00				\$ 250.00	\$44,500
First 1,500	110,425	0	0	110,425		\$1.8569	\$1.4970	\$2.0354	\$0.0000	\$5.3893	\$595,113
Next 1,500	79,813	0	0	79,813		\$1.2998	\$1.3128	\$2.0354	\$0.0000	\$4.6480	\$370,971
Next 7,500	112,782	0	0	112,782		\$0.9285	\$1.2089	\$2.0354	\$0.0000	\$4.1728	\$470,617
Next 16,500	72,932	0	0	72,932		\$0.5571	\$1.7823	\$2.0354	\$0.0000	\$4.3748	\$319,063
Next 33,000	2,323	0	0	2,323		\$0.1857	\$0.4588	\$2.0354	\$0.0000	\$2.6799	\$6,225
Over 60,000	0	0	0	0		\$0.0000	\$0.4000	\$2.0354	\$0.0000	\$2.4354	\$0
DTs - Winter	378,275	0	0	378,275							
First 1,500	133,009	0	0	133,009		\$1.1141	\$0.7409	\$2.0354	\$0.0000	\$3.8904	\$517,458
Next 1,500	87,855	0	0	87,855		\$0.7428	\$0.6636	\$2.0354	\$0.0000	\$3.4418	\$302,379
Next 7,500	124,414	0	0	124,414		\$0.5571	\$0.5969	\$2.0354	\$0.0000	\$3.1894	\$396,806
Next 16,500	53,087	0	0	53,087		\$0.3714	\$0.6233	\$2.0354	\$0.0000	\$3.0301	\$160,859
Next 33,000	0	0	0	0		\$0.1857	\$0.4133	\$2.0354	\$0.0000	\$2.6344	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.1000	\$2.0354	\$0.0000	\$2.1354	\$0
DTs - Summer	398,365	0	0	398,365							

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PROPOSED REVENUE CALCULATIONS

(dekatherms)	Test Period Actual (1)	Normalized Adjustment (2)	Conservation Adjustment (3)	Proforma Dekatherms (4)	Proforma Bills (5)	Proposed Margin Rate (6)	Proposed Demand Rate (7)	Proposed Commodity Rate (8)	Proposed CNG Decrement Rate (9)	Total Proposed Rates (10)	Total Proforma Revenue (11)
Rate Schedule											
Interruptible Service - Transportation 214											
Bills	510				510	\$ 250.00				\$ 250.00	\$127,500
First 1,500	305,773	0	0	305,773		\$1.8569	\$0.5348	\$0.0354	\$0.0000	\$2.4271	\$742,142
Next 1,500	283,158	0	0	283,158		\$1.2998	\$0.4247	\$0.0354	\$0.0000	\$1.7599	\$498,330
Next 7,500	764,656	0	0	764,656		\$0.9285	\$0.3152	\$0.0354	\$0.0000	\$1.2791	\$978,071
Next 16,500	337,323	0	0	337,323		\$0.5571	\$0.2074	\$0.0354	\$0.0000	\$0.7999	\$269,825
Next 33,000	26,296	0	0	26,296		\$0.1857	\$0.1091	\$0.0354	\$0.0000	\$0.3302	\$8,683
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0000	\$0.0354	\$0
DTs - Winter	1,717,206	0	0	1,717,206							
First 1,500	446,104	0	0	446,104		\$1.1141	\$0.5678	\$0.0354	\$0.0000	\$1.7173	\$766,094
Next 1,500	375,243	0	0	375,243		\$0.7428	\$0.4505	\$0.0354	\$0.0000	\$1.2287	\$461,061
Next 7,500	880,045	0	0	880,045		\$0.5571	\$0.3357	\$0.0354	\$0.0000	\$0.9282	\$816,858
Next 16,500	333,621	0	0	333,621		\$0.3714	\$0.3008	\$0.0354	\$0.0000	\$0.7076	\$236,070
Next 33,000	0	0	0	0		\$0.1857	\$0.3280	\$0.0354	\$0.0000	\$0.5491	\$0
Over 60,000	0	0	0	0		\$0.0000	\$0.0000	\$0.0354	\$0.0000	\$0.0354	\$0
DTs - Summer	2,035,013	0	0	2,035,013							
TOTAL INDUSTRIAL											
Bills	1,376				1,376						
Demand	161,487				161,487						
DTs	6,972,508	0	0	6,972,508							\$14,176,476
Outdoor Gaslight Service - Rate 205											
Fixtures	24	0	0	24		\$ 15.00				\$ 15.00	\$360
DTs - Winter	16	0	0	16							
DTs - Summer	22	0	0	22							
Annual Revenues From Special Contracts										\$	2,217,843
TOTAL ALL RATE SCHEDULES											
TOTAL BILLS	1,672,497				1,672,492						
TOTAL WINTER DTs	11,533,422	1,004,744	(186,002)	12,352,164							
TOTAL SUMMER DTs	7,277,944	429,825	(78,629)	7,629,140							
ANNUAL TOTAL DTs	18,811,366	1,434,569	(264,631)	19,981,304							
TOTAL SALES DTs	13,141,508	1,434,569	(264,631)	14,311,446							
TOTAL TRANSPORTATION DTs	5,669,858	0	0	5,669,858							
ANNUAL TOTAL DTs	18,811,366	1,434,569	(264,631)	19,981,304							
										REVENUE \$	129,561,032

* The rates convert 1.26 therms to 1 GGE.

EXHIBIT B

WNA Factors

	Base Rate (\$/therms)	Demand (\$/therms)	Commodity (\$/therms)	"R" Value (\$/therms)	Heat Factor (therms/DDD)	Base Factor (therms/mo.)
Residential						
Value Rate - 201	0.79403	0.14782	0.20354	0.44267	0.16073	19.82408
Standard Rate - 221	0.79403	0.14782	0.20354	0.44267	0.14225	6.50310
Commercial						
Rate 202 - Std	0.70357	0.14706	0.20354	0.35297	0.60083	11.92505
Rate 232 - Val						
First 2,000 therms	0.70357	0.14706	0.20354	0.35297	0.50166	378.39268
Over 2,000 therms	0.70357	0.14706	0.20354	0.35297	0.50166	378.39268
Rate 252 - Std	0.62317	0.06666	0.20354	0.35297	21.83628	1449.88705
Rate 262 - Val						
first 5,000 therms	0.62317	0.06666	0.20354	0.35297	5.64676	8517.10508
over 5,000 therms	0.62317	0.06666	0.20354	0.35297	5.64676	8517.10508

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email and UPS Overnight upon:

Jeffrey M. Nelson
Office of Regulatory Staff
1401 Main Street
Suite 900
Columbia, South Carolina 29201
jnelson@regstaff.sc.gov

And that a copy of the attached *Comments of Piedmont Natural Gas Company, Inc.* is being served this date via email or U.S. Mail upon:

Bruce Barkley
Vice President
Regulatory Affairs, Rates and Gas Cost Accounting
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
bruce.barkley@piedmontng.com

and

Pia Powers
Director - Regulatory Affairs
Piedmont Natural Gas Company, Inc.
P.O. Box 33068
Charlotte, North Carolina 28233
pia.powers@piedmontng.com

This the 13th day of September, 2016.

/s/ Richard K. Goley
Richard K. Goley